

INFORMATIONAL HEARING AND SITE VISIT
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Post Certification Amendment))
Transmission Lines and) Docket No. 99-AFC-8C
Substation Modification)
BLYTHE ENERGY POWER PLANT)
(Blythe Energy, LLC))
_____)

BLYTHE CITY HALL
COUNCIL CHAMBERS
235 N. BROADWAY
BLYTHE, CALIFORNIA 92225

WEDNESDAY, NOVEMBER 10, 2004

1:20 P.M.

Reported by:
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Contract No. 170-04-001

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Kenny Stein, Senior Environmental Specialist
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Dwight R. Mudry, Project Manager
Tetra Tech Foster Wheeler, Inc.

Kurt Holt, Production Manager
Blythe Energy Project Facility
Florida Power and Light Energy

Sonia Cueto, Administrative Assistant
Interpreter

APPLICANT

Robert K. Holt
Holt Engineering
The Holt Group

INTERVENORS

Marc D. Joseph, Attorney
Adams, Broadwell, Joseph & Cardozo
on behalf of California Unions for Reliable Energy

ALSO PRESENT

Mark J. Wieringa
Western Area Power Administration

John Kalish
Bureau of Land Management
United States Department of the Interior

Charles "Butch" Hull
Assistant City Manager
City of Blythe

Alfredo A. Figueroa

Ben F. Gosser

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P R O C E E D I N G S

1:20 p.m.

PRESIDING MEMBER GEESMAN: I'm John

Geesman, the Energy Commission's designated Presiding Member of this Committee, taking up the petition for post-certification of an amendment to the Blythe Energy Project certificate.

To my left is Scott Tomashefsky who is the Advisor to Commissioner Keese, the Second Member of this Committee. Commissioner Keese was unable to attend today because of a prior commitment.

It's important for anyone making a comment in this proceeding to speak into a microphone that allows our court reporter to pick up your remarks. When we turn to public comment we'll have a separate microphone that I'll ask the public to speak through.

These microphones don't amplify your voice, so don't be alarmed by the fact that you don't hear anything coming from it. We're all going to have to speak loudly enough to have our voices carry. But as I indicated, it's important that the court reporter have a full transcript and the microphones are a necessary element of

1 accomplishing that.

2 With that I'd like to turn it over to
3 our Hearing Officer Ed Bouillon, who has been
4 brought out of retirement to handle this case. He
5 and I and Commissioner Keese approach this with a
6 certain level of enthusiasm. It is the first
7 transmission-related amendment or application that
8 the Commission has dealt with in a very lengthy
9 period of time. So there will be some issues that
10 are new to us or fresh to us, and we look forward
11 to getting into that.

12 Ed.

13 HEARING OFFICER BOUILLON: Thank you.

14 As Commissioner Geesman told you all, I'm Ed
15 Bouillon and I'm the Hearing Officer or the
16 Referee in this matter, if you will. I'm not a
17 decisionmaker. The Commissioners are the
18 decisionmakers.

19 I think to start this meeting I'd like
20 to kind of go around the room and introduce
21 everybody here. And first of all, we'll start
22 with the applicant, themselves. And I probably
23 know Scott Galati the best, so I'll ask him to
24 make the introductions for everyone here for the
25 applicant.

1 MR. GALATI: My name is Scott Galati,
2 Galati and Blek, representing Blythe Energy on
3 this petition for amendment. I'm going to
4 introduce now Gary Palo, who is the Project
5 Manager for this petition and he can introduce the
6 rest of the members of his staff.

7 MR. PALO: Thank you, Scott. Let me
8 introduce the rest of our team that are here
9 today. I have Dwight Mudry, Project Manager for
10 Tetra Tech Foster Wheeler, a consultant who helped
11 us prepare our petition. Kenny Stein to my right,
12 Senior Environmental Specialist with FPL Energy.
13 Next we have Kurt Holt, Production Manager at our
14 Blythe Energy Power facility here in Blythe.
15 Sonia Cueto, Administrative Assistant and here to
16 offer any Spanish/English interpretation that is
17 necessary. Rob Holt of Holt Engineering. I think
18 that's everybody on our side.

19 HEARING OFFICER BOUILLON: And Mr.
20 Richins, the Siting Manager is here from the --
21 okay, Jack Caswell is here for the Energy
22 Commission Staff. I'll ask him to introduce the
23 members of his team.

24 MR. CASWELL: I'm Jack Caswell, Project
25 Manager for the Energy Commission. And I want to

1 introduce Paul Richins; he's the Supervisor over
2 the Project Managers. Sitting to my left is Paul
3 Kramer, Staff Counsel for the Energy Commission.

4 Also we have here the Public Adviser,
5 Nick Bartsch is here. We have Susan Lee who is
6 doing the alternatives analysis for the Energy
7 Commission. She's a contractor with Aspen
8 Environmental. And with her, Hedy Born.

9 Also, as co-leads in this process, as
10 far as staff goes, are Western Area -- I'm drawing
11 a blank all of a sudden -- Western Area Power
12 Administration, I'm sorry -- and Bureau of Land
13 Management.

14 With Western is Mark Wieringa, and with
15 BLM is John Kalish. And they'll be speaking when
16 we do a slide presentation. They'll discuss a
17 little bit about the federal agency participation
18 in this.

19 HEARING OFFICER BOUILLON: Thank you.
20 We also have -- the Energy Commission has a Public
21 Adviser, Margret Kim. She's not here today, but
22 she is represented by Nick Bartsch, who is here.
23 He's over on the left. And if any members of the
24 public have any question whatsoever about how to
25 participate in this proceeding, talk to him first.

1 If you don't get a satisfactory answer you can
2 talk to me. But you will get a satisfactory
3 answer.

4 As Jack Caswell said, the Western Area
5 Power Administration is here, Bureau of Land
6 Management. Do we have anyone from the City of
7 Blythe? Not at this time.

8 We also have intervenors that have filed
9 to be parties in this proceeding, specifically
10 CURE, which is the Union of something employees.
11 Marc Joseph is here; I'd ask him to introduce
12 himself.

13 MR. JOSEPH: Thank you. Marc Joseph.
14 You got one out of four right.

15 (Laughter.)

16 MR. JOSEPH: California Unions for
17 Reliable Energy.

18 HEARING OFFICER BOUILLON: And the only
19 other formal intervenor in this matter is Carmela
20 Guernica, who I don't see here. She is an
21 intervenor in this case because she filed to be an
22 intervenor when the project was first put in back
23 in '99 or something like that. So she remains an
24 intervenor and she will continue to get the
25 notices.

1 If anyone else wants to intervene in
2 this hearing it's an easy matter to do so, and
3 there will be some instruction, I believe, from
4 Mr. Bartsch about how to do that.

5 This informational hearing is the first
6 public event conducted by the Committee as a part
7 of the Energy Commission's amendment proceedings
8 on the Blythe Energy Project. This is also a
9 scoping hearing for the Bureau of Land Management
10 and Western Area Power Administration.

11 The three agencies, two federal and one
12 state, are going to combine to issue hopefully a
13 single report that will satisfy the needs of all.
14 And we will attempt to amend all our processes to
15 accommodate each other.

16 Notice of today's hearing was sent to
17 all parties, adjoining landowners, interested
18 governmental agencies and other individuals on
19 October the 26th of this year. In addition,
20 notice of today's event was published in a local
21 newspaper.

22 One of the documents we're going to be
23 considering today is a staff Issues Identification
24 Report, which is a formal document required by our
25 regulations, which the staff filed on November 3,

1 2004. I don't know if he has any extra copies of
2 that.

3 MR. CASWELL: They are, they're on the
4 back table.

5 HEARING OFFICER BOUILLON: All right,
6 they're back there. If any members of the public
7 would like to see them they're welcome to pick up
8 a copy.

9 The purpose of today's hearing is to
10 provide a public forum to discuss the proposed
11 amendment to the Blythe Energy Project; to
12 describe the review process to be used by the
13 Energy Commission, the Bureau of Land Management
14 and the Western Area Power Administration; and to
15 identify the opportunities for public
16 participation in this process.

17 I believe almost all of you, except I
18 think some of the Blythe Power people, were on the
19 site visit. We did it first in this case so that
20 no matter how long this meeting takes now, we
21 won't run out of daylight for the site visit.

22 This is the first in a series of formal
23 hearings which will extend probably over the next
24 six months or so. And the Chair of this
25 Committee, Commissioner Geesman, will eventually

1 issue a proposed decision containing his
2 recommendation, or the Committee's recommendations
3 on the proposal for a new power line.

4 It is important to note that these
5 recommendations must, by law, be based solely on
6 the evidence contained in the public record.
7 We're making a public record now and that's why we
8 ask you to speak into the microphones so that can
9 be recorded, so that others can examine that
10 public record at a later time if need be.

11 To insure that we only decide things
12 based upon the evidence, and to preserve the
13 integrity of our licensing process, our
14 regulations and the California Administrative
15 Procedure Act expressly prohibit any off-the-
16 record contacts between any of the participants in
17 this proceeding and the Commissioners, their
18 Advisors and me.

19 This is known as the ex parte rule. And
20 what it means, quite simply, is Commissioner
21 Geesman and Chairman Keese and their staffs,
22 including their Advisors, such as Mr. Tomashefsky,
23 and me are prohibited from any contact on any
24 substantive matter unless everyone else is either
25 present or receives a copy of that contact.

1 For instance, you can talk to us here
2 where everybody else can hear; you can write us a
3 letter so long as you send a copy to everybody
4 else that's on the proof of service list; or you
5 can do things -- you can talk to reporters,
6 obviously, and put things in a newspaper. And
7 that's not a direct contact with us.

8 The purpose of this rule is to provide
9 full disclosure to all participants of any and all
10 information which may be used as a basis for any
11 future decision.

12 During the course of this hearing we're
13 going to proceed in the following manner: First,
14 I'm going to ask the Commission Staff to provide
15 an overview of the Commission's licensing process
16 and its role in reviewing the proposed amendments,
17 and its role in working with Western Area Power
18 Administration and the Bureau of Land Management.

19 Next, Nick Bartsch, acting for the
20 Commission's Public Adviser, will briefly explain
21 how to obtain information about and participate in
22 this licensing.

23 The applicant will then describe the
24 proposed project amendment and explain its plans
25 for the project site and the attendant facilities.

1 Upon completion of these presentations
2 other parties, interested agencies and members of
3 the public may ask questions.

4 And following all of that we will turn
5 to a discussion of scheduling and the other
6 matters addressed in the staff's November 3, 2004
7 Issues Identification Report.

8 Does anyone have any questions about the
9 procedure we're going to follow?

10 We will now begin the presentations.
11 And in the interests of time, please hold any
12 questions you might have for any one person until
13 we conclude all of the presentations.

14 Jack, are you going to start?

15 MR. CASWELL: Sure. I've got a slide
16 presentation here that shows our process that
17 we're going to use to review this petition to
18 amend an existing project.

19 On this first slide you'll see that I've
20 identified the California Energy Commission,
21 Western Area Power Administration and the Bureau
22 of Land Management. They are federal agencies,
23 they are our co-leads in the review and the
24 development of this document that we are going to
25 develop and provide to the Committee as a piece of

1 the evidence for the overview of this proposed
2 transmission line.

3 The Energy Commission has the authority
4 to review this transmission line process under --
5 because we have the permitting authority to review
6 thermal power plants 50 megawatts or greater and
7 related facilities such as transmission lines,
8 substations, and then you'll see these other
9 facilities that usually are associated with these
10 power plants, which are water supply, natural gas,
11 waste disposal, access roads and could be other
12 things as well.

13 The power plant amendment process. The
14 Energy Commission may amend a decision for the
15 thermal power plant it has issued a license to if
16 it finds that that the project will mitigate all
17 significant impacts; the project will remain in
18 compliance with all applicable LORS, which is
19 laws, ordinances, regulations and standards; the
20 change will be beneficial to the public, the
21 project owner or intervenors; and there has been a
22 substantial change in circumstances, since the
23 Commission certification, justifying the change or
24 the change was based on information that was not
25 available to the parties prior to the Commission's

1 certification.

2 And apparently this project was not
3 being proposed or aware of at that point in time,
4 and so it's being brought here as an amendment
5 petition.

6 The amendment process, here again is the
7 amendment process of a petition to modify an
8 existing power plant, and the Commission decision
9 for that power plant. So there's going to have to
10 be a change in that decision because of this
11 additional facility related to it.

12 The Energy Commission, Western Area
13 Power Administration, Bureau of Land Management,
14 as co-lead agencies for the process, will prepare
15 a draft staff assessment, environmental
16 assessment, and a final staff assessment.

17 This draft, the purpose of this draft is
18 to give everybody an opportunity to see where
19 we're at in our thought process and where we go on
20 with the analysis. And also an opportunity for
21 Western and BLM to help fine-tune some of the
22 analysis that we've been developing along with
23 them. But prior to a final publication there is
24 some fine tuning that will be done to this
25 document.

1 Some of the agencies that we've worked
2 with that this is just kind of a difficult
3 situation where, you know, there's the City of
4 Blythe and we're working with their planning
5 department and other agencies within Riverside
6 County, that's a more regional area; state, that's
7 the Department of Fish and Game and Regional Water
8 Quality Control Board. And on the federal side,
9 Environmental Protection Agency, Fish and Wildlife
10 Service, Bureau of Land Management, Western Area
11 Power Administration in this particular
12 circumstance. These things do change depending on
13 the particular project.

14 Here is a slide that's going to show the
15 series of events that we're going to have during
16 this process. And in this we had a prefiling
17 meeting with the applicant. Some senior staff and
18 technical staff met with the applicant and
19 discussed this project, and gave them guidance on
20 how they might complete an application, a petition
21 to file with us.

22 We accepted the petition. That was our
23 day zero, and that happened to be October 12th.
24 We have filed data requests and we have gone to
25 the issue identification resolution portion of

1 this. We're trying to file this document, report
2 the -- the issue identification report. We have
3 filed this report, that's the copies in the back
4 of the room.

5 And these issues are potential issues
6 that may require additional discussion, additional
7 workshops; they'll impact possibly the timeframe
8 of the process. We don't know that at this time,
9 but we're just saying heads up, here are some
10 issues that staff has identified as potential
11 problems or things that need to be addressed at a
12 higher level.

13 We're going to -- the next document
14 you'll see staff producing will be a draft staff
15 assessment and environmental assessment. In that
16 timeframe that we do this, again this will be out
17 for comment to the public and anybody else who
18 wants to give input to the Energy Commission on
19 that draft assessment.

20 And we will then hold a workshop to
21 discuss that draft assessment, and take input on
22 that.

23 We will also develop a final staff
24 assessment after we've got that information and
25 move forward and file that with the Energy

1 Commission, to the Commissioners.

2 And at that point we go on to hearings.
3 There's a variety of hearings. I've seen as few
4 as one, and I've seen as many as 20. So we don't
5 know exactly how many that will require at this
6 time.

7 Decisions, again we're not the
8 decision -- staff is not the decisionmaker. We
9 develop this draft assessment, environmental
10 assessment and this final as reference material to
11 the Commissioners in order for them to make an
12 informed decision. But they're going to be taking
13 in a lot of information from the public as well as
14 the applicant and other federal agencies. Anybody
15 that's a participant, this information goes to the
16 Commissioners as part of that whole package for
17 decisionmaking.

18 They'll have a proposed decision that
19 they'll file; and then there's a final decision --
20 I think we should put proposed decision there --
21 and then there's a final decision point where they
22 hold another hearing at a business meeting in
23 Sacramento before the full Commission, not just
24 the Committee but the full Commission. And they
25 made a decision on that process.

1 And you see out to the left here, you
2 can see where staff, agencies, intervenors and any
3 interested parties have opportunity to have input
4 into these document, this process.

5 This is a slide that has been provided
6 by the federal agencies to discuss their process
7 when doing an EA. And I'll ask Mark Wieringa to
8 stand up and discuss how that parallels with many
9 of the processes that we're doing.

10 The purpose of this is the federal NEPA
11 process for review is slightly different, or can
12 be, than the CEQA process. And how we're joining
13 and marrying these two processes together so that
14 it meets the federal requirements and their review
15 standards along with ours, and how those things
16 will happen in a sequence so that you're not
17 trying to do a federal study and a state study and
18 you're trying to draft this project. This is a
19 joint effort here and it will be a little easier
20 for the public, certainly, and other interested
21 groups and agencies to participate.

22 Mark.

23 MR. WIERINGA: Thanks, Jack. What he's
24 talking about here is the fact that we have a
25 federal process that needs to be met for federal

1 agencies and a state process at the CEC. And John
2 Kalish is here from BLM, and jump in any time if
3 you want to say something, too. Because this is a
4 true joint process as Jack has alluded to.

5 What we're trying to do is marry our
6 process to the CEC process which is CEQA compliant
7 for the State of California. CEQA is very similar
8 to the federal NEPA Act that we have to comply
9 with as federal agencies.

10 I guess I should back up a little bit.
11 The reason that Western and BLM are involved in
12 this at all is that the applicant wants to access
13 our system, federal power system. And as such,
14 that triggers an action on Western's part to take
15 a look at that interconnection request and either
16 allow it or disallow it.

17 John has the process -- or the project
18 covers about I think 80 percent is going to be on
19 BLM land. So, his agency is involved because
20 that's where the transmission lines are going to
21 be located, and all of the potential environmental
22 effects that that entails.

23 MR. KALISH: If I could jump in, just to
24 clarify BLM's role, we did in very late June of
25 this year receive a right-of-way grant application

1 from Blythe Energy to place the transmission line
2 on BLM lands that are located between the power
3 plant and mainly the Julian Hinds pumping station
4 to the west.

5 So our involvement is to insure that all
6 applicable laws and regulations are adhered to as
7 we analyze this proposal for placement of the
8 facility on BLM lands under a right-of-way grant.

9 One of those laws, of course, is the
10 National Environmental Policy Act, which
11 necessitates our involvement in the preparation of
12 the environmental assessment that's being
13 discussed right now.

14 MR. WIERINGA: Thanks, John. Where
15 we're at now is as the chart up here indicates, is
16 we're now at the scoping meeting; the first
17 opportunity for public comment on this proposal.

18 The draft environmental assessment, what
19 we're attempting to do here is have one document,
20 the staff assessment, also serve as an
21 environmental assessment for both BLM and Western.

22 In order to get there both BLM and
23 Western is going to be working very closely with
24 the applicant and with the CEC to make sure that
25 the document contains all of the necessary parts

1 that is required for our process and theirs.

2 As currently scheduled I think we're
3 looking at somewhere in mid February for the draft
4 environmental assessment. Is that right, Jack?

5 MR. CASWELL: I think the draft
6 environmental assessment should be out in January,
7 I believe, is what the schedule shows.

8 MR. WIERINGA: All right, --

9 MR. CASWELL: Early January. I think
10 the final would be more into the February
11 schedule.

12 MR. WIERINGA: Okay. So we're looking
13 at getting the draft assessment together. Then
14 you see that the process splits. And the reason
15 for that is the NEPA process is what, if you're
16 doing an environmental assessment you reach a
17 point where you have to make a determination if
18 there are any significant impacts.

19 And if there are any significant impacts
20 remaining after mitigation that would be proposed
21 by the applicant and committed to by the
22 applicant, it then shifts into an environmental
23 impact statement process.

24 And then you follow the right-hand
25 column down through there to get to a record of

1 decision.

2 We're expecting, because of the way the
3 project looks, the mitigation that's been
4 identified so far, we'll probably end up going to
5 a final environmental assessment. Then we go to a
6 preliminary finding of no significant impacts.

7 And then a final finding of no
8 significant impact, based on the information
9 that's in the report that we're talking about here
10 that's going to be a combination EA, EIR, and
11 staff assessment.

12 So that's the way we expect the process
13 to work. It's going to take a lot of effort on
14 the part of all of us to make sure everything is
15 included in that document. But we've done this
16 before and we think it will work out just fine.

17 Thank you.

18 HEARING OFFICER BOUILLON: Thank you.

19 Mr. Bartsch, would you comment on the Public
20 Adviser's role in these proceedings.

21 MR. BARTSCH: My name is Nick Bartsch.
22 I'm the Manager in the Public Adviser's Office at
23 the Energy Commission. Today I am representing
24 Margret Kim, who is the Public Adviser, in sending
25 her regrets. A schedule conflict did not allow

1 her to attend this meeting.

2 But we wanted to make sure that we're
3 here represented and try to meet with each and
4 every one of you who'd like to, who are interested
5 in the process. And, of course, our role at the
6 Commission is to insure public access to the
7 process in such a way that we assist you, in fact,
8 to participate in that process.

9 We have a sign-in sheet in the back of
10 the room, and if you haven't already signed up,
11 make sure that if you do, you can check a box
12 there and that will put you automatically on our
13 mailing list. And you will be receiving copies of
14 all the information in the proceedings that are
15 filed.

16 You, in effect, get all the information
17 that's docketed on this particular case. And we
18 will also have hopefully your address and your
19 contact number so that we will be able to help you
20 with any assistance that you may need.

21 I have cards and also if you want to
22 address the Committee today, we have cards that I
23 ask you to fill out and give it to the
24 Commissioners. And they will call upon you as
25 part of the proceeding here today.

1 And so I'll be in the back there. And
2 be happy to assist you with any questions that you
3 may have.

4 HEARING OFFICER BOUILLON: Thank you,
5 Mr. Bartsch.

6 MR. CASWELL: I have an additional slide
7 here that -- there's handouts on this slide show
8 which will provide you information for contact.

9 Again, as project manager, anybody here,
10 especially members of the public, if you need some
11 information or some guidance I can help you also,
12 along with the Public Adviser. And my cards are
13 in the back. Feel free to contact me.

14 Of course, the introductions have been
15 given, and this is just a summary of those
16 introductions and some information.

17 Again, I say we've filed a staff Issues
18 Identification Report and we're going to talk
19 about that a little further. I won't go through
20 these slides at this time. I wasn't sure how they
21 wanted to handle that.

22 In case, you know, Ed's going to go
23 ahead and lead that discussion. And John --
24 Commissioner Geesman will be doing that.

25 HEARING OFFICER BOUILLON: Mr. Palo, are

1 you going to make the presentation or are you
2 going to leave that to Dwight?

3 MR. PALO: No, I'm making a
4 presentation. Is that time for it now?

5 HEARING OFFICER BOUILLON: Yes.

6 MR. PALO: Okay. I'll sit right here if
7 you don't mind, because of the microphone.

8 HEARING OFFICER BOUILLON: As long as
9 the reporter can hear you and the audience can
10 hear you, that's fine.

11 MR. PALO: Right, you've asked that we
12 speak into the microphone, so I will respect your
13 wishes. I think Dwight will -- there's a slide
14 show so everybody can see it on the board.

15 Again, I'm Gary Palo; I'm the Project
16 Director on behalf of Blythe Energy for the
17 petition for post-certification amendment for this
18 transmission project. And I want to thank the
19 Energy Commission today for holding this public
20 meeting, as well as BLM and Western for their
21 attendance. And for the opportunity for us, as
22 applicant, to briefly summarize our proposed
23 project.

24 Of course, as has been mentioned
25 earlier, we have worked for many months on this

1 large petition that has been filed with the Energy
2 Commission. And what I'm discussing today is
3 strictly a brief summary of a portion of the
4 introduction and executive summary in that lengthy
5 petition.

6 I'm basically going to read most of this
7 that Dwight and I put together in the last few
8 days, and then we'll try to be as brief as
9 possible in the interest of time.

10 As I mentioned on the first line, Blythe
11 Energy is the owner of the Blythe Energy project,
12 a 520 megawatt natural gas fired facility situated
13 in the City of Blythe.

14 I want to mention right now that Blythe
15 Energy is strictly the owner of that facility and
16 does not have an ownership interest or a financial
17 interest in any other proposed or existing power
18 plant in the City of Blythe. This is strictly the
19 power plant that Blythe Energy has as an asset,
20 and its only asset.

21 The Blythe Energy project commenced
22 commercial operation in 2003. Blythe Energy
23 project is connected to the Western Area Power
24 Administration Buck substation, which in turn is
25 connected to Western's Blythe substation, which

1 those who were on the tour this morning saw both
2 of those.

3 In addition, Western's transmission
4 system, Southern California Edison Company and
5 Imperial Irrigation District transmission systems
6 are all interconnected to the Western Blythe
7 substation.

8 The California Energy Commission
9 approved Blythe Energy's application for
10 certification for the Blythe Energy project in
11 2001. And Western issued a finding of no
12 significant impact for the project in that same
13 year.

14 We have prepared and submitted this
15 petition to the CEC for post-certification
16 amendment of that license, 99-AFC-8.

17 Next slide; thank you, Dwight. The
18 petition describes the proposed transmission line
19 facilities that would allow for delivery of the
20 full Blythe Energy project output to the
21 California Independent System Operator-controlled
22 transmission system for delivery to the southern
23 California electric load centers.

24 At this time the majority of the power
25 or the output from the Blythe Energy facility is

1 not delivered within the State of California on
2 most occasions. That we'd like to change.

3 The petition includes a discussion of
4 the necessity for the proposed license
5 modifications; a detailed project description; and
6 an analysis of the potential environmental
7 impacts.

8 The petition objectives. As I've
9 already said they are to increase the electrical
10 capability of transmission paths between the
11 Blythe Energy project and additional points of
12 interconnection with the Cal-ISO-controlled
13 transmission system.

14 For those unaware of what I mean by Cal-
15 ISO, essentially most of the high voltage
16 transmission systems in the State of California
17 owned and operated by the electric utilities are
18 controlled by the California Independent System
19 Operator.

20 The second objective is to initiate
21 construction of the proposed modifications in a
22 timely manner and place the completed
23 modifications in service by early to mid 2007. We
24 would like to place them in service even earlier
25 than that, but we believe a realistic schedule

1 based on permitting and detailed engineering
2 construction timeframes limits us to suggesting
3 here that we believe mid 2007 is achievable.

4 Maintain management --

5 PRESIDING MEMBER GEESMAN: Gary, let me
6 stop you there.

7 MR. PALO: Yes.

8 PRESIDING MEMBER GEESMAN: I read into
9 that your sense that it takes about two years
10 after receiving a decision from us to go through
11 detailed engineering and complete construction of
12 this project?

13 MR. PALO: It is not strictly --
14 Commissioner Geesman, it's not strictly just
15 detailed engineering and construction, but there
16 is another process that we have to complete to our
17 satisfaction to initiate the major investments to
18 go forward with construction that is beyond the
19 Commission's process or those of Western and BLM.

20 That is known as the WECC path rating
21 process. And until we know where that process is
22 headed, we will not know exactly what the
23 transmission rights will be under that process
24 that will be granted to us for completing these
25 new facilities. Do you have anything to add to

1 that?

2 MR. GALATI: The only thing I would add
3 to that would be that, as you can see, there are
4 two transmission lines that Blythe Energy is
5 proposing. And that path rating process may
6 determine that both are needed or one is needed.

7 And that's why we've asked the
8 Commission to license both, because it could turn
9 out that we build the connection to the mid point
10 substation of PV-D-1 that we talked about, and we
11 build the longer one which connects at Julian
12 Hinds.

13 MR. PALO: We believe that either
14 component of this line could be constructed within
15 a one-year period. The path rating process may
16 take anywhere up to 18 to 20 months.

17 PRESIDING MEMBER GEESMAN: And when does
18 that get initiated?

19 MR. PALO: That has been initiated; it
20 is ongoing, but slowly. It involves every major
21 stakeholder in the high voltage transmission
22 systems in this part of the state that have a say
23 in that path rating process.

24 And Southern California Edison is acting
25 on our behalf at this time in leading -- on Blythe

1 Energy's behalf in leading that process for us.

2 But it is not a quick process.

3 It also involves an analysis of their
4 second line, I believe, and how that's going to
5 impact the overall transmission paths in this part
6 of the state, both what we call east-of-river and
7 west-of-river, meaning the Colorado River. So the
8 stakeholders are not just in California, but
9 they're in Arizona, as well.

10 PRESIDING MEMBER GEESMAN: When you
11 indicate that you'd like to bring the project
12 online before mid 2007 if possible, what's the
13 earliest, assuming that you receive a favorable
14 decision from us around May of 2005. What's the
15 earliest that you could conceivably bring either
16 one of the two projects, or both of the two
17 projects into service?

18 MR. PALO: I would think the earliest,
19 if the company was willing to take a financial
20 risk based on the status of the path rating at
21 that time, somewhere between the third and fourth
22 quarter of 2006.

23 PRESIDING MEMBER GEESMAN: Thank you.

24 MR. PALO: The third objective, maintain
25 management control over the cost and schedule to

1 complete the modifications through Blythe Energy's
2 participation as the sole project sponsor. And
3 obtain long-term transmission access for delivery
4 of power over the proposed transmission facilities
5 sufficient for Blythe Energy to establish long-
6 term off-take agreements with customers, I should
7 add, for the full BEP electrical output.

8 This next figure shows essentially the
9 transmission lines in the Blythe area at this
10 time. I'm sorry if it's not too clear for
11 everybody, and it's a little complicated. But
12 essentially, and I won't spend too much time on
13 it, this shows the transmission lines in place at
14 this time.

15 And when we flip to the next couple
16 figures you'll see the proposed routes and the
17 diagram showing our additional line, not on the
18 same drawing, but we just threw that in to show
19 what lines are out there at this time.

20 I wanted to provide a brief project
21 description, and this is of one of the two
22 components. We call this the Buck to Julian Hinds
23 transmission line component. This is the longer
24 of the two. It would involve some upgrades to the
25 Buck substation that lies adjacent to our Blythe

1 power plant.

2 Installation of approximately 67 miles
3 of new 230 kV transmission line between the Buck
4 substation and the Julian Hinds substation located
5 approximately 60 miles to the west. The proposed
6 transmission line route would generally follow
7 SCE's existing 500 kV Devers-Palo Verde
8 transmission line. It would also follow,
9 obviously, the corridor for their proposed line
10 for those of you that are interested.

11 And the transmission line structures, as
12 we propose, would be concrete, single-pole
13 structures. And there would be some minor
14 upgrades to the Julian Hinds substation, which is
15 a substation owned by the Metropolitan Water
16 District, but within which Edison has an
17 electrical buss structure.

18 This shows the route for the Buck-Julian
19 Hinds line, leaving the Buck substation on the
20 east and going the 67 miles over to the Julian
21 Hinds substation. You can see, although there's
22 no scale on here, roughly it follows the freeway
23 10, and for most of this way, as I mentioned, the
24 existing Palo Verde-Devers Edison 500 kV line.

25 The second component of our transmission

1 project modifications is the Buck to Devers-Palo
2 Verde transmission line component. This is route
3 of approximately 6.7 miles of new 230 kV
4 transmission line. It would also have some minor
5 upgrades at Buck substation.

6 The transmission line structures would
7 be the concrete single-pole structures. And
8 construction of a new substation, which is
9 referred to by us and Edison as the Midpoint
10 substation, at the point of interconnection with
11 SCE's existing Devers-Palo Verde Kv 500
12 transmission line.

13 This shows the route for that 6.7 mile
14 line and the location; the little rectangle at the
15 bottom of the picture there would be the proposed
16 Midpoint substation.

17 Next slide. This slide may not be too
18 clear because it's very hard to read down in the
19 corner there, but essentially was to show the land
20 use along the proposed transmission corridors for
21 both components. And I think someone -- Mark said
22 earlier that roughly 80 percent of it is federal
23 land managed by BLM. And that's what this -- 66?
24 Okay. I'm trying to push it, I guess, a little
25 bit, but essentially mostly federal land and the

1 rest primarily privately owned property. And I
2 thought that was of interest.

3 And the last figure, I believe -- no,
4 not the last, but the next figure shows we have
5 overlaid the route of the line within what is
6 currently referred to as a utility corridor under
7 a BLM -- can you help me, Kenny, that's a
8 transmission corridor plan?

9 MR. STEIN: Yeah, BLM has a planning
10 document where they've identified utility
11 corridors, and this is just to show that our
12 proposed line would fall within BLM's designated
13 utility corridor.

14 MR. PALO: And that was one of the
15 reasons that we are proposing this particular
16 route from three different routes that we and
17 Edison spent time looking at initially before we
18 prepared this petition. We wanted to remain
19 within that planning corridor.

20 We have, I think, three more slides just
21 showing different views of the transmission line
22 that we have projected, if it were built, one
23 would see from different what we call key
24 observation points. And those are all presented
25 in the petition. We just thought it would be

1 interesting. And I don't know if -- Dwight, if
2 you want to walk up to the screen from there to
3 show -- okay, Kenny.

4 MR. STEIN: Here's one --

5 MR. PALO: There's a typical concrete
6 spun pole, with the line as it might look,
7 crossing the I-10 highway -- freeway at that
8 particular point.

9 I think we have another diagram. Off in
10 the distance again, it isn't real, we projected it
11 into the picture of what it would look like from
12 this key observation point. Is that where we were
13 on the bus tour right here?

14 DR. MUDRY: No, this particular
15 photograph was taken south of Mesa Verde, so if
16 you were on the bus tour it was about half the
17 distance that we drove out and we stopped at the
18 point and went through the town there, the south
19 end of town.

20 And so this is kind of a view to the
21 south towards the existing transmission line with
22 the proposed transmission line superimposed on
23 that.

24 MR. PALO: And then we have one or two
25 more, again, visuals. This is -- okay, I don't

1 know this location, but --

2 MR. STEIN: It's somewhere right about
3 right in the Desert Center.

4 MR. PALO: Desert Center, okay. And
5 then the last location is -- what's this?

6 MR. STEIN: This is, I believe, going up
7 to the Julian Hinds substation --

8 MR. PALO: Okay.

9 MR. STEIN: -- that's here. Some people
10 in the area might recognize the --

11 MR. PALO: Oh, the pumping plant, yes.

12 MR. STEIN: -- pipes coming out of the
13 mountain there. This is the Julian Hinds
14 substation where the westernmost -- it would be
15 the westernmost terminus and the Buck to Julian
16 Hinds component, and here is a simulation of our
17 poles as they cross over I-10 and head up to the
18 Julian Hinds substation.

19 MR. PALO: And that completes the
20 applicant's presentation.

21 HEARING OFFICER BOUILLON: Thank you.
22 Does anyone have any questions for any of the
23 presentations?

24 MR. PALO: Oh, I should say we have
25 copies of our presentation for those who would

1 like to have one; we have extra copies.

2 HEARING OFFICER BOUILLON: Mr. Figueroa,
3 do you have any comments or questions?

4 MR. FIGUEROA: Yes, I just have one.
5 Thank you for the lunch and the nice ride.
6 Wonderful day to be in Blythe.

7 I just saw where -- I didn't know there
8 was going to be such a wide path pared out in the
9 Edison line. And I just want to bisect -- I
10 showed the young lady here, what is --

11 UNIDENTIFIED SPEAKER: Mary.

12 MR. FIGUEROA: -- Mary how the sun, when
13 it sets in the sosos at Eagle Mountain right at
14 Dragon Wash -- Dragon Wash means it's a
15 (inaudible). So, anyway, that line ends up over
16 here south of Ripley. And it ties in with the
17 Kofa Mountains. The Kofa Mountains called
18 (inaudible). (inaudible) means fire. So, there
19 is an (inaudible) there, and Mr. Bowman Johnson,
20 our very good dear friend that he's retired, he
21 worked with us for a long long time. It's right
22 there close to that line where we were at, just
23 maybe around four miles up.

24 So I saw right now where it's wide and
25 we were there discussing. He said it's going to

1 be for the regular line; it's going to be how far
2 north?

3 DR. MUDRY: It's going to be 125 feet
4 from the --

5 MR. FIGUEROA: And then there was
6 another extension?

7 DR. MUDRY: Right, another 125.

8 MR. FIGUEROA: So, give and take, how
9 much from the original line?

10 DR. MUDRY: That would be 250.

11 MR. FIGUEROA: So, I just said your
12 archeologist, when you go and make your report to
13 really look for it, because it's very key. What
14 it means, it's an indicator of what we call the
15 sosos, indicating what -- see, the Mountain of
16 Kofa is the sun mountain, that's why it's called
17 (inaudible) Kofa, King of Arizona. And Eagle
18 Mountain is where the birth is. When the sun sets
19 right there at Eagle Mountain, Dragon Wash, June
20 20th to June 23rd, is when all this happens.

21 And we are -- humans are -- so, just
22 watch out for it. Who's going to be your guys
23 there, going to do the archeological work? You
24 know, it's just very -- I haven't found it; I've
25 been looking for it. Bowman knew where it was at,

1 but Bowman's gone. And he lost all those --
2 Bowman used to work with us; he was a BLM
3 archeologist for 25 years. He was out of the
4 office out of Yuma.

5 And I never saw it, but now that we were
6 there I was pointing out to the young lady here,
7 Mary, I says how that line is direct.

8 So I just wanted to advise you that to
9 be on the lookout. And that's, you know, we are
10 here right now. This is very crucial to us. The
11 time has come now that we know, have to know the
12 truth of our creation.

13 And I know some of you probably have got
14 tired of me talking, but this is the facts. The
15 facts are there. You don't believe it, just stand
16 right there at a place where I can take you and
17 you can see how the sun sets and how the whole
18 creation evolves.

19 So, just have a sharp eye. Because I
20 haven't found it, so I can't tell you where it's
21 at exactly. I can give you an idea, like I told
22 her, but that's about it.

23 Thank you very much.

24 HEARING OFFICER BOUILLON: Thank you,
25 Mr. Figueroa. Mr. Gosser, you had a comment?

1 MR. GOSSER: Yeah.

2 HEARING OFFICER BOUILLON: I'm sorry,
3 here.

4 MR. GOSSER: If in the future that we
5 need more transmission power through this line can
6 it be increased in size with the number of poles
7 that they have out there and the size of the
8 structures? Or would it have to remain what it
9 is?

10 MR. PALO: I think that we would have to
11 get back to the Commission with an answer to that
12 question. I can't answer that today.

13 MR. GALATI: I could answer, though,
14 that if we wanted to increase the size of the line
15 at a later date we would have to come back to the
16 Commission and ask for a petition to go through a
17 process such as this to do so.

18 MR. GOSSER: Yeah. Well, I'm --

19 MR. GALATI: Your question was
20 physical --

21 MR. GOSSER: -- concerned about, I mean
22 why not do it now, as later, and have to go
23 through it. In other words, if you think it's
24 going to ultimately be a 500 kVa instead of a 230,
25 you might put the conductors up there to carry it

1 now or something.

2 I mean it's a matter of dollars, I
3 imagine.

4 MR. PALO: But we will answer that
5 question through the Commission. Is that the
6 appropriate way to do it? And we will describe
7 what it would take to do that.

8 MR. GOSSER: And did the little sketch
9 that I have here, this on the large scale drawing,
10 is this the 67-mile line?

11 MR. PALO: No, it's not --

12 MR. GOSSER: No?

13 MR. PALO: No, it's the one that that
14 I've just put back in the corner.

15 MR. GOSSER: Okay, this is the 67 -- but
16 does this indicate the first part of that?

17 MR. PALO: Yeah.

18 MR. GOSSER: This is where the red dots
19 are?

20 MR. PALO: It's right there.

21 MR. GOSSER: Yeah, right.

22 MR. PALO: That's the beginning of it
23 right there.

24 MR. GOSSER: How did you arrive at this
25 location besides trying to miss the orange grove?

1 MR. PALO: Do you want us to address
2 these questions now?

3 HEARING OFFICER BOUILLON: Yeah, I think
4 it would be helpful.

5 MR. PALO: All right. We worked with
6 Southern California Edison and looked at different
7 routes with them, different alternatives for the
8 routes. And in that general area down there we
9 looked at three different routes and three
10 different possible locations for a substation.
11 And this was the easternmost route.

12 And based on their experience and the
13 existence of access roads we came up with the
14 route as proposed.

15 You're right, we did try to miss
16 transecting the one orchard, the one existing
17 operating orchard, and that is why there's the
18 right-angle turn versus following the IID and
19 Western lines directly and diagonally across the
20 orchard. So that is correct.

21 MR. GOSSER: Well, you said just to the
22 substation. There's no substation on this --

23 MR. PALO: No, I didn't write -- I
24 thought you meant why did we turn the corner there
25 instead of just continuing down the right-of-way

1 of the IID and Western --

2 MR. GOSSER: Well, that's what I --

3 MR. PALO: Yes.

4 MR. GOSSER: -- was basically getting
5 at.

6 MR. PALO: We are trying to avoid
7 putting poles in that person's orchards.

8 MR. GOSSER: Okay. Well, you just said
9 before the meeting that Butch thought you could
10 get further away from the runway if you would go
11 straight across the orchard.

12 MR. PALO: Well, I was mentioning in a
13 conversation that we were having with the City
14 that we had not considered any City comments at
15 the time that we filed this petition.

16 But I think the point of these public
17 meetings is to consider other comments. And if
18 the Commission would direct us to consider
19 different alternatives, and with input from this,
20 as well as the City and County, then we are going
21 to do that, as an applicant.

22 But I can't speak to how that would all
23 come out. Yes. We had to make some decisions
24 just to file a petition, yeah.

25 MR. GOSSER: Oh, sure. Okay, thank you.

1 HEARING OFFICER BOUILLON: Thank you.

2 PRESIDING MEMBER GEESMAN: Thank you.

3 HEARING OFFICER BOUILLON: Also, Mr.

4 Hull, from the City of Blythe, is here. Sorry. I
5 would have had you introduce yourself earlier. I
6 didn't --

7 MR. HULL: I just walked in.

8 HEARING OFFICER BOUILLON: Oh, okay.

9 You have a question about the line location and
10 height?

11 MR. HULL: Yes, sir, I do.

12 HEARING OFFICER BOUILLON: Please then
13 someone --

14 MR. HULL: Do we have the early drawing
15 that we had this morning? Is there a way you can
16 put that on the screen?

17 DR. MUDRY: No, I don't have this one
18 for the screen, but --

19 UNIDENTIFIED SPEAKER: Sure, it's right
20 here.

21 MR. HULL: Yeah, this is it. There's no
22 way to amplify, is there?

23 MR. PALO: Sorry, --

24 (Parties speaking simultaneously.)

25 MR. GOSSER: Everybody has this.

1 MR. HULL: Mr. Chair, if I could ask
2 your indulgence. Blythe Airport and the eastern
3 edge of the runway 26 is roughly a mile from the
4 property line of the Blythe project.

5 I understand that the blue line is the
6 preferred alternative, or one of the alternatives.
7 But as the airport manager and the City's
8 perspective, we'd like to request that at this
9 tangent point to the existing IID/SCE line, that
10 that angle be intercepted on the east side, if
11 that's reasonable. So that any crossing that's
12 accommodated is done further south so that this
13 existing right-of-way that's on the IID line that
14 runs at a tangent there. That takes the poles
15 away from the flight pattern for the Blythe
16 runways.

17 And that height is removed because as an
18 airplane's making the downwind turning base that's
19 going to be the highest point for the aircraft if
20 he happens to run long.

21 The City is considering changing left-
22 hand traffic for 26 to right-hand traffic, which
23 removes the aircraft from overflying the project
24 site and these poles. But that has not been put
25 in place. We're in discussion with the FAA and

1 Caltrans Aeronautics about that. Those are not
2 concluded; no decisions made.

3 So, at this point in time I'd prefer the
4 eastern alignment on the existing IID run right-
5 of-way.

6 That concludes my comments; thank you,
7 sir.

8 HEARING OFFICER BOUILLON: Thank you.

9 DR. MUDRY: Just for reference he was
10 looking at what's titled figure 1, which was in
11 the handout that we gave on the bus tour. And
12 that happens to be the fourth page of that set.

13 MR. KRAMER: Is that also in the AFC, or
14 the application for this --

15 DR. MUDRY: It's not in the petition,
16 but it will be one of the figures that's handed in
17 as one of the response to the questions we've
18 received.

19 MR. PALO: The data requests.

20 DR. MUDRY: The data requests.

21 MR. KRAMER: Okay.

22 MR. RICHINS: Can you identify the pole
23 numbers that he was speaking to on figure 1?

24 DR. MUDRY: The closest pole number is
25 pole number 13.

1 MR. RICHINS: Okay.

2 DR. MUDRY: And that would show the apex
3 of the area that we was referring to.

4 HEARING OFFICER BOUILLON: Does anyone
5 else have any comments they'd like to make?

6 At this time I'd like to start to
7 discuss the staff's Issues Identification Report,
8 and the schedule proposed by the staff. And, Mr.
9 Caswell, if I could prevail upon you to discuss
10 the potential major issues that you have seen to
11 date.

12 MR. CASWELL: I've got a slide that will
13 address these issues. And I'll discuss that and
14 clarify for the general public. Just putting that
15 back up. And these slide handouts, it's starting
16 with slide 9.

17 Anyway, staff has again identified some
18 areas that they may -- they believe require
19 additional attention during the process here. And
20 that we would like to focus on. And the purpose
21 of that is to inform participants of potential
22 issues; early focus on these issues. But it's
23 just not limited to these issues. You may have
24 other issues that you believe are more important
25 and we will consider those, as well.

1 Some of the criteria for us to identify
2 these issues was -- and the resources we used were
3 the amendment petition, some data requests that
4 were being developed, and the information provided
5 by agencies or others at this point in the
6 process, which is fairly evident. So, again, it's
7 not limited to what we've identified. We're open
8 for other input.

9 Potential issue areas at this point have
10 been identified as alternatives, bio, soil and
11 water and transmission system engineering.

12 Based on the requirements of NEPA and
13 CEQA for the analysis in the alternative section,
14 the impacts proposed, Blythe has been requested to
15 submit additional information on alternatives to
16 clarify the impacts of the level of review that
17 meets those requirements both for NEPA and CEQA.

18 And I understand -- I have not done a
19 complete NEPA process, but having talked with Mark
20 and John, Mark with Western and John being with
21 BLM, that the NEPA level of review for
22 alternatives is slightly higher than we normally
23 do. Not meaning that you have to run a systems
24 impact for each possible alternative, but a little
25 more in depth. And we believe -- staff believed

1 that the review for the alternatives in the
2 application petition was not thorough enough to
3 meet those requirements.

4 So we've asked for additional review.
5 And it's my understanding the applicant is in
6 agreement with that at this point. But, again, it
7 was quite a ways short of what we believe is
8 necessary to meet those requirements.

9 The next one was biological resources,
10 and in that it's our understanding that the
11 biological assessment hasn't been completed. It
12 has not been provided to U.S. Fish and Wildlife
13 Service and it has not been accepted as complete
14 by the U.S. Fish and Wildlife Service.

15 That's an important benchmark in any of
16 these reviews that this is a major document and
17 it's the document which the U.S. Fish and Wildlife
18 Service uses to create their biological opinion.

19 But that has not been provided at this
20 point, so it's a big issue. And, again, we're
21 working on that.

22 I might stop right here and mention that
23 we have a workshop that has been noticed for over
24 15 days that's occurring next Monday in
25 Sacramento. The notice that went out has a call-

1 in number, a phone number, as well as an access
2 code if you'd like to listen. And these issues
3 will be discussed in detail at that workshop.

4 The next one is soils and water
5 resources and the potential issues of staff, a
6 document that was submitted was absent a drainage
7 erosion and sediment control plan, and DESCP.
8 It's a requirement of our agency and others to
9 have these in place so that it can be assessed and
10 reviewed by technical staff. And this was absent
11 completely from the application, and we believe
12 it's necessary for a complete application.

13 The next one is transmission system
14 engineering. And in that staff believed that
15 Southern Cal Edison's impact study was not quite
16 as complete as it could have been. I understand
17 the applicant has already gone back to SCE to get
18 further studies done.

19 In our data requests they're identified
20 in detail to the extent we would like those.
21 Again, this is an issue that will be discussed at
22 our workshop, and we'll go over our data requests
23 as well as the areas of most concern.

24 Western has an impact study that it's to
25 provide. Staff knowledge is at this point they

1 have not provided it. I believe it is with the
2 applicant at this time. I'm not sure. But
3 they're in the process of providing that complete
4 study. And, again, that will get further
5 discussion at the workshop on the 15th, that's
6 next Monday.

7 Data requests in this area have been
8 requested by staff, both to Western -- staff is in
9 contact with Southern California Edison, as well
10 as the Cal-ISO. And we coordinate closely our
11 transmission system engineering people, and we get
12 consensus on the level of the analysis and the
13 studies that are created that we're going to
14 require, and pass that information on to the
15 applicant to make sure that they have a clear
16 understanding of what is acceptable and what is
17 not acceptable.

18 And at this stage we're now developing
19 that line of communication, so we make sure that
20 we can hit that benchmark.

21 At this time we don't believe any of
22 these are a deal-killer. We just believe that
23 they're issues that really they're going to have
24 to be addressed prior to our final staff
25 assessment in order for staff to give a complete

1 analysis.

2 And this is our proposed schedule. You
3 see this document on October 12th. If you go down
4 through this you'll notice this information --
5 now, this is a proposed schedule. I don't make
6 this schedule, I want you to know that.

7 (Laughter.)

8 MR. CASWELL: I propose a schedule to
9 the Commissioners, the Committee, and they decide
10 whether to go along with this, amend it. And they
11 will put out a schedule that they believe is
12 mostly likely to occur in this process.

13 But, as a benchmark and some guidance
14 since we work for the Commission, talked with the
15 applicant, we've looked at the issues, we've
16 discussed with BLM and Western things that have to
17 occur in their process, and that's how I came up
18 with this schedule.

19 I could tell you, from my perspective,
20 that the critical benchmark for this project is
21 going to occur here, in the draft. When we've got
22 to that point we'll know what they've been able to
23 accomplish, the applicant, in our data requests.
24 We'll know what the issues are, why they were
25 unable to get all the data.

1 Just enough time will have passed, since
2 it's been less than 30 days since we've started
3 this process, what the public's concerns are,
4 other agencies' concerns are. And anyway, we'll
5 develop this and publish the draft staff
6 assessment, environmental assessment. And we'll
7 hold a workshop to discuss that information that's
8 in that. It will be a great guide for everyone to
9 take a look at where we're at and what the
10 potentials are to proceed with the rest of this
11 schedule.

12 But based on the fact that we don't know
13 if there's going to be any serious problems or
14 deal-breakers, well, then this is the proposed
15 schedule based on that. If something happens,
16 then these things get shoved. And based on the
17 Commissioners' schedule and other things that I'm
18 unaware of, that could change drastically.

19 And, of course, Ed has to develop a lot
20 of analysis in which he pointed out that he was a
21 rather short period of time. I gave us the time
22 and him very little, so that may be adjusted, as
23 well.

24 So that's about as good a guess at this
25 point that I can see that this process can

1 proceed. Thank you.

2 HEARING OFFICER BOUILLON: Thank you.

3 Normally in these proceedings the applicant would
4 have filed a response to the Issues Identification
5 Report, and comments on the schedule proposed by
6 the staff. They have not done so and I'll note
7 that for the record so that members of the public
8 won't be looking for it on the website.

9 Does the applicant have any comments
10 about either the Issues Identification Report or
11 the proposed schedule?

12 MR. GALATI: Actually, yes, we do. And
13 first I'd like to apologize to the Committee and
14 the public for not filing that. That was solely
15 my responsibility.

16 Second, probably don't have very much to
17 file because we agree with the schedule; we think
18 the schedule is aggressive; we understand what our
19 part is in the schedule. And we're doing
20 everything we can to commit to the timeframes and
21 provide the information so that the Energy
22 Commission Staff can proceed.

23 And, in fact, yesterday we did docket
24 and file late in the day and emailed late in the
25 day a response to the data responses letting them

1 know of the 99 questions that we got answered, we
2 felt confident that we could respond to the vast
3 majority, and only identified parts of three where
4 we may not be able to respond fully by the 30th.

5 Those three are two system impact
6 studies that the Energy Commission set forth A
7 through N, items that needed to be in them. We
8 may not have all A through N because those are
9 being performed by Southern California Edison.
10 We've transmitted the data requests to them.
11 We're continuing to talk with them, and we hope we
12 can get that. But I didn't want to leave the
13 impression that we wouldn't be answering a
14 question. We just may not have all of every point
15 in that information done by that time. So we
16 tried to identify those for staff so that staff
17 could understand which ones might be critical and
18 we can talk about that on Monday at our workshop.

19 There was one other that required --
20 asked for some information about a project, and we
21 are going to do our best to find, but we're not
22 the project proponent. We'll request. And that
23 deals with IID, and we'll request IID to provide
24 information about Desert Southwest.

25 Other than that, the other 96 questions

1 we feel confident that we can provide good
2 responses to address the issues raised by staff,
3 both in their Issues Identification Report and in
4 their data requests. And we feel that we are
5 willing to work with staff and we're willing to
6 provide the information.

7 We've had significant meetings, both at
8 the federal level, already on this project, and
9 with staff prefiling. We'd like to continue that.
10 We think that we can meet that schedule.

11 HEARING OFFICER BOUILLON: Mr. Joseph,
12 do you have any comment about CURE's participation
13 in this, and how it might shorten or lengthen the
14 process?

15 MR. JOSEPH: At this time our only
16 comment is just to note the fact that we're, like
17 staff I think, still looking at the application
18 information. We'll look forward to the answers to
19 the data requests, and don't yet have a view as to
20 whether the schedule is realistic or not.

21 HEARING OFFICER BOUILLON: Thank you. I
22 notice in looking at the proposed schedule that
23 there's one day set aside for evidentiary
24 hearings. Is the applicant in agreement that one
25 day will be sufficient?

1 MR. GALATI: I think we are in agreement
2 that one day will be sufficient because while this
3 is new to the Commission and it is a transmission
4 line and it is a long transmission line,
5 considering what the Commission goes through to
6 identify all of the issues surrounding the power
7 plant, with emissions and hazardous materials,
8 there are basically finite areas of expertise that
9 need to be resolved. And I think that those are
10 the areas identified by staff, largely due to land
11 disturbance.

12 Those, I think, issues have, in the past
13 with the Commission, and certainly our
14 understanding and our opinion, is that they can be
15 easily resolved. So we are working towards a very
16 clean case, so that the three weeks you have to
17 write your decision becomes simple for you to do.

18 (Laughter.)

19 PRESIDING MEMBER GEESMAN: I had a
20 question for Mr. Caswell. Reading page 7 of your
21 Issues Identification Report and the discussion of
22 the data needs for the system impact study report,
23 you say that you're coordinating with the
24 applicant, Edison and Cal-ISO to determine when
25 amended studies will be available.

1 At this time staff is estimating that it
2 may take 60 days or more. Could you elaborate a
3 little bit on that? Sixty days from when?

4 MR. CASWELL: It's my understanding that
5 we had early discussions about the completeness of
6 what they were proposing to file. I'm aware that
7 they're trying to get additional studies. The
8 details of those studies I'm not familiar with,
9 the transmission system engineering.

10 But 60 days, say, from the date of the
11 filing of the data requests, they did have a
12 heads-up before then, so it could be a little
13 earlier than that.

14 We really don't know how long those --
15 that may be better answered by the applicant, as
16 they're the ones that are pursuing some of the
17 additional studies.

18 And the concern from our staff was that
19 their knowledge, based on past projects, is that
20 that could take 60 days or much much more,
21 depending on the completeness of their responses
22 on that study. The details, again, of that study,
23 I'm not familiar with.

24 PRESIDING MEMBER GEESMAN: Do you know
25 who is the critical actor? Is it the applicant,

1 or Edison, or Cal-ISO?

2 MR. CASWELL: I believe it's Edison at
3 this time, Southern Cal Edison.

4 MR. PALO: Well, maybe I should
5 describe, if Scott doesn't mind, a little bit
6 about the process we're going through so there's a
7 clear understanding.

8 First of all, we don't think we're
9 necessarily talking about additional studies, but
10 rather just additional analysis related to the
11 studies that we have submitted to the Commission
12 as part of the petition.

13 And Cal-ISO, in many cases, when they
14 get system impact studies from Edison usually ask
15 Edison to run additional runs or sensitivities or
16 look at different things, and the Commission has
17 done a similar thing. So this was not a surprise
18 to us. Perhaps the depth of some of the questions
19 are, but I know that the workshop will clarify
20 some of those points, and we hope Edison will be
21 on the phone.

22 Then they would go back, at our request,
23 and on our nickel, do additional analysis as soon
24 as they feel they can't do based on the resources
25 they have inhouse or outside resources they may

1 call in. But they're a third party to us, so we
2 can't force them to do it in a certain timeframe.
3 We certainly will do everything we can, but we're
4 still trying to put together what we think the
5 timing would be of that additional analysis for
6 both of their studies.

7 They did two studies because we
8 separated these two components out as two
9 requests. We requested a connection at PV-D and a
10 an interconnection at Julian Hinds. So there's
11 two system impact studies, and Edison has -- we
12 have both of those to you and you have comments on
13 both. And the Cal-ISO was looking at both.

14 And so the Cal-ISO not only addresses
15 issues to Edison, as their normal course of
16 business, but now because of our petition they're
17 also addressing questions that you have asked of
18 them, as well.

19 So we really have the Cal-ISO, who is a
20 third party to us that you're depending on for
21 something besides us, as the applicant. And
22 you're also looking to us to provide information
23 back to you from Edison.

24 And so we're going to do our best to let
25 you know soon a better sense of what that timing

1 is, particularly after the workshop on the 15th.

2 Is that correct, Scott?

3 MR. GALATI: Yeah, if I could add one
4 other thing. We hope to accomplish at the
5 workshop, if a particular item that staff has
6 requested is particularly long lead, we hope to
7 explore is it because they're interested in a
8 particular upgrade in a particular location; and
9 can we, in order to continue with the schedule,
10 assume we would take responsibility for such an
11 upgrade, rather than waiting for a study to
12 confirm it.

13 We're taking that kind of approach to
14 try to facilitate staff getting the information it
15 needs. It may not all be in a study. It may be
16 we'll just assume XYZ happens, which is worst
17 case, and can we evaluate it.

18 I'm not sure whether we can do that or
19 not, but we are going to have all the transmission
20 guys in the room on Monday, or on the telephone,
21 including Edison, and I think we'll be able to --
22 we feel pretty comfortable that we can work that
23 out.

24 So, --

25 MR. PALO: And we also have two Western

1 studies, again two requests to Western. One for
2 the Buck-PV-D, and one for the Buck-Julian Hinds.
3 One of those studies was just completed. Jack
4 mentioned it. And we are going through it now
5 with Edison. And as soon as we are ready to, we
6 are going to submit that study to you. But we
7 want to submit it with some of the comments that
8 we and Edison have on it, as well.

9 We think that would be better for you,
10 to see that there are some things that we think
11 they need to look at, as well.

12 The second study is a little bit behind
13 this first one that was just completed. We think
14 we're another couple weeks away. And when that
15 study is done we will also submit that to you.
16 And we assume that you will have questions of
17 Western on those studies. Those studies were done
18 by Western, not SCE.

19 And so I'm assuming there's at least 30
20 days of timeframe in there on reviewing those
21 studies and comments going back and forth.

22 Again, a third party, we don't have
23 control over Western, but we'll do our best to see
24 that they respond as quickly as possible.
25 Certainly Western's involved at the federal level

1 in reviewing this, as far as co-lead. But it's a
2 different part of Western that does the studies.

3 But hopefully, as Scott said, some of
4 the questions being addressed could be addressed
5 through the process. That if we make certain
6 commitments and the studies ultimately demonstrate
7 the need for that, and we've committed to do that,
8 well, then that could be resolved in that fashion
9 I would hope. But we don't know enough about that
10 yet.

11 MR. GALATI: Yeah, I think the thing I
12 want to leave you with is because we can't control
13 third parties, to the extent we can commit to
14 things that control our -- help us with our
15 process, we are looking into that very seriously,
16 and hope to explore that on Monday.

17 PRESIDING MEMBER GEESMAN: And, Mr.
18 Caswell, how much in this area of system impact
19 study needs to be completed before the staff
20 issues its draft assessment versus how much before
21 the staff releases its final assessment?

22 MR. CASWELL: That's something that I've
23 talked with the transmission staff about. And
24 they want to get some clarification on quite a few
25 points actually before they draw that conclusion

1 on what they can accept and what they can't
2 accept.

3 There's not a point right now that they
4 feel comfortable. You know, right now they're
5 saying we've got a lot of questions and we want
6 clarification on them before we go any further.

7 At this workshop we have set the stage
8 for all those players to be participants in this
9 workshop, which should allow for much of what
10 we've requested to be clarified. And the stage
11 set for our staff to -- again, I can provide you
12 with an update after the workshop on how that went
13 and when we believe -- and once they've filed
14 their formal responses, at that point I can say
15 hey, this is what's going on and where we're at.

16 But I know right now staff has a lot of
17 concerns about these studies and what they can
18 accept and not accept.

19 We intend to go forward with the draft
20 staff assessment no matter what's gone on here
21 because we believe that's good for the project and
22 good for the process to get that document out and
23 find out where we're at, because things tend to
24 filter in. And at that point we can again have a
25 better assessment of where we're going and what

1 could be in our way.

2 Again, as third parties, they're outside
3 this process and we can't --

4 MR. PALO: May I mention one further
5 point?

6 PRESIDING MEMBER GEESMAN: Please.

7 MR. PALO: It is a normal practice of
8 Southern California Edison and other WECC members
9 that when they do a system impact study and
10 complete that for the applicant, and the
11 applicant's had a chance to comment back to
12 Edison, they then submit that study to all of the
13 other interconnected utilities that could be
14 impacted by that point of interconnection.

15 So, Edison has taken the first study,
16 and I think the second one, and given it to
17 Metropolitan Water District, (inaudible), Imperial
18 Irrigation District interconnected at Blythe, of
19 course Edison, and Western for comments. And then
20 they get comments back from those parties as it
21 relates to their systems, if they choose to
22 comment. And then Edison incorporates those
23 comments and makes any revisions to the studies as
24 necessary. Now, that's a common Edison practice
25 under WECC process.

1 Your process lays another round of
2 review over that. And I think it's something to
3 consider from the Commission's standpoint of
4 reviewing transmission lines, what has been done
5 as a standard practice, and then how the
6 Commission participates.

7 And then you have the ISO, as well, as a
8 new entity over the control of the transmission
9 system of the state. There's a lot of different
10 comments going back and forth, and how that's all
11 brought together within a timely manner, is of
12 interest to us, and of course, I assume to you, as
13 well.

14 PRESIDING MEMBER GEESMAN: Well, no one
15 should interpret my comments as being directed to
16 the substance or merit of the application. And I
17 don't want to prejudge whether we would ultimately
18 grant an approval of the amendment or not, but it
19 seems to me that's pretty much a binary choice.

20 If I assume that we were to grant an
21 approval I would like to make certain the timing
22 that we follow in this process is consistent with
23 having the project available as soon as possible.
24 If there's any prospect whatsoever for
25 availability during the third quarter of '06, I'd

1 like to make certain that our process doesn't
2 either intentionally or inadvertently have a
3 schedule for decisionmaking that's inconsistent
4 with that.

5 The Commission adopted last week its
6 2004 Integrated Energy Policy Report update. And
7 I think it's clear in fairly stark terms in that
8 report that we face a world of hurt in southern
9 California potentially in the summer of 2005,
10 potentially in the summer of 2006 and potentially
11 beyond.

12 As a consequence I would expect that
13 Edison, the Cal-ISO, the WECC and a variety of the
14 identified stakeholders all share the same
15 interests. If, in fact, the Commission does
16 ultimately approve this amendment, we would like
17 to see the project energized and available as
18 quickly as possible.

19 So, I recognize that there are a lot of
20 independent parties, or third parties that control
21 the pace of events here, and yet aren't direct
22 participants in our process. And I'd just
23 encourage each of you to try and figure out a way
24 in which our schedule can be compatible with them
25 conducting the work they need to do, but at the

1 same time try and render a final decision by this
2 Commission by May of '05.

3 MR. GALATI: Commissioner Geesman, as I
4 see it the Commission struggles with three things
5 when it makes a decision:

6 Whether or not the project causes any
7 environmental impacts and how are those mitigated.
8 Whether or not the project complies with all
9 appropriate laws, ordinances, regulations and
10 standards.

11 And the third one, whether or not the
12 project's got an adverse impact to the
13 transmission system.

14 And what we would hope to be able to
15 accomplish is to really address the first two very
16 clearly. And the third one, to the extent we can,
17 build in a process by which the findings can be
18 made, maybe with not all of the studies being
19 completed.

20 And because of all of the different --
21 that have now, we're going to explore that with
22 staff. We think we can provide most of the
23 information.

24 To the extent that there might be a
25 comment that trails in late from Metropolitan

1 about something they may want in SCE's study that
2 comes in six months from today, we want to build
3 in a process whereby that can be addressed.

4 It is addressed outside the Commission
5 process already. If we could somehow make it
6 clear in the decision or conditions or reporting,
7 or something like that, and we're going to explore
8 that.

9 But the applicant and -- we have talked
10 and thought long and hard and made sure that for
11 us to be in that position we will help and we will
12 commit to number one and number two, the
13 environmental issues and the compliance with LORS
14 issues. Those are issues we understand that are
15 within our control. To the extent that they are,
16 we're working very closely with the applicant.
17 It's that third one that we need help with.

18 PRESIDING MEMBER GEESMAN: I think
19 that's a constructive suggestion. And it really
20 does bear our careful consideration.

21 MR. PALO: An aspect of that is a
22 downstream impact that might be identified, but
23 for which Edison would go the PUC for approval to
24 put in place even if we were paying for it.
25 Because it would be outside of the project,

1 itself. But which there would be no environmental
2 impacts, but which they --

3 HEARING OFFICER BOUILLON: I have a
4 couple other items. One, the Committee's required
5 to issue a scheduling order no later than November
6 25th, I believe. You guys have some workshops
7 coming up. I'd like to, at this time, request a
8 status report on anything that occurs during those
9 workshops that may either alleviate the
10 difficulties in the schedule, or cause further
11 delays.

12 And if you could file some sort of
13 status report, either individually or jointly, to
14 inform the Committee prior to November the 25th so
15 we get our schedule out on time.

16 And also I'd like you, in that status
17 report, to consider and evaluate the City of
18 Blythe's request that you realign the transmission
19 line because of their concerns for the airport.
20 And whether or not that can be incorporated into
21 the schedule as set forth by Mr. Caswell or not.

22 MR. GALATI: All right, we can certainly
23 do that.

24 PRESIDING MEMBER GEESMAN: Is there
25 anything else that any of the parties or members

1 of the public would care to bring before us now?

2 Okay, I want to thank everybody for your
3 participation. We'll be adjourned.

4 (Whereupon, at 2:47 p.m., the hearing
5 was adjourned.)

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CERTIFICATE OF REPORTER

I, JAMES RAMOS, an Electronic Reporter,
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Energy Commission Hearing; that it was thereafter
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I further certify that I am not of
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IN WITNESS WHEREOF, I have hereunto set
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